கனம் அங்கத்தினர்கள் உணர்ந்துகொள்ள வேண்டும். இப்போது மத்திய அரசாங்கத்தில் காபினெட் சப்-கமிட்டி ஒன்று அமைக்கப் பட்டிருக்கிறது. நாம் சொல்வதெல்லாம், 'ஹாஸ்பெட்டில் கேட்டால் கொடுங்கள், வேண்டாமென்று சொல்லவில்லை; விசாகையில் கேட்டால் கொடுங்கள் வேண்டாமென்று சொல்லவில்லை; சேலம் கட்டாயம் வேண்டும்' என்பதுதான். 'எல்லாம் தயாராக இருக்கிறது, நல்ல திட்டம், கட்டாயமாக எடுத்துக் கொள்ளவேண்டும்' என்றுதான் வற்புறுத்திக்கொண்டு வருகிறோம். ஆகையால், சேலம், ஹாஸ்பெட், வைசாக் ஆகிய இந்த மூன்று திட்டங்களை என்ன செய்வது, எப்படி நிறைவேற்றுவது, என்ன முடிவு செய்வது என்பது பற்றி ஆராய காபினெட் சப்-கமிட்டி போட்டிருக்கிறார்கள் அதிலே சேலம் இருக்கிறது, ஹாஸ்பெட் இருக்கிறது, வைசாக்கும் இருக்கிறது. வைசாக்தான் இருக்கிறதே, பிறகு ஏன் கிளர்ச்சி செய்கிறார்கள் என்றால், எல்லாவற்றையும் விட்டுவிட்டு வைசாக்கில் பெரிய திட்டம் வேண்டும் என்றுதான். பெரிய திட்டம் என்றால் அதற்கு அதிகமான பணம் வேண்டும். அது மத்திய அரசாங்கத்தைப் பொறுத்தது. அதிலே வைசாக்கும் இருக்கிறது. மூன்றையும் எடுத்துக் கொள்ளுவதை எதிர்த்துக் கிளர்ச்சி இருப்பது மாதிரி தோன்றுகிறது. ஆகவே, சேலம் வருகிறது, தொடர்ந்து இந்த அரசாங்கம் கவனம் செலுத்திக்கொண்டு வருகிறது. ஆகையால், இது அவசரப் பிரேரணைக்கு உரியது இல்லை என்று தெரிவித்துக்கொள்ளுகிறேன்.

MR. SPEAKER: Consent is withheld.

IV.—STATEMENT BY CHIEF MINISTER ON LAND REVENUE.

THE HON. SRI M. BHAKTAVATSALAM: Sir, During the general discussion in the Legislature on the Budget Estimates for the year 1966–67 and on some earlier occasions, I had referred to the need, in the long term, for rationalisation of the existing system of land revenue and other ancillary cesses and sur-charges on land. The case of rationalisation has in fact been urged with varying degrees of vehemence over the last several decades, both prior to and after Independence. While every one readily concedes that the existing system of land revenue is regressive in its incidence and does not satisfy the well accepted canons of taxation, no reform of the existing system has been seriously attempted because of the very complexity of the problem. The present system of land revenue is very ancient in its origin and on this system as it has evolved over the years have been superimposed cesses and surcharges levied by local bodies and the State Government. These *ad hoc* imposts have rendered attempts at reformation of the existing system progressively more difficult.

The time has now come when we should study the problem of incidence of land revenue in all its aspects and find and enduring and equitable solution. All our plans for economic development rest on agricultural production and it is widely recognised that

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a major reform of the land revenue system is an essential pre-requisite to the successful implementation of programmes for augmentation of agricultural production. It is also necessary from the point of view of increased production to assure fair prices to the primary producers, large numbers of whom are small holders operating on slender margins. Increase of production will call for massive inputs in terms of improved seeds, fertilisers and pesticides, all of which entail additional expenditure which should be adequately compensated. We have therefore, to guarantee fair prices to the producers, keeping at the same time the prices to the consumers as reasonable as possible. It is increasingly realised that the twin objectives of fair prices for producers and reasonable and stable prices for consumers can be assured only through some form of State Trading in major agricultural produce. The Tamilnad Congress Committee, after a consideration of these two important problems in their various aspects, has recommended to Government to examine ways and means of abolishing land revenue coupled with State Trading in agricultural produce.

Of the existing levies on land, we may distinguish the principal elements as follows. There is first basic land revenue, abolition of which has been proposed in the resolution of the Tamilnad Congress Committee. Besides, there is water cess levied under the Irrigation Cess Act and other enactments and notifications which are in the nature of payment for services rendered by Government to the beneficiaries. Irrigation programmes, both major and minor, have absorbed a significant proportion of the capital outlay of Government over the years, particularly since the commencement of the First Plan. It has been estimated that as at the end of 1965–66 the cumulative capital outlay on irrigation projects, major and minor, was of the order of Rs. 104 crores. This, of course, does not take into account the substantial outlay incurred by administration in pre-British days for which no accounts have been kept. The interest charges alone on the capital invested work out to over Rs. 5 crores. Besides, the irrigation sources have to be maintained continually in a high state of efficiency and the need for such efficient maintenance is all the greater now when increase of agricultural production has to be accorded high priority. Expenditure on maintenance of irrigation sources is currently of the order of Rs. 2.5 crores and there is a strong case for stepping it up further in the coming years. The total burden, on revenue account, of interest and maintenance charges in respect of irrigation works, works out to over Rs. 7.5 crores. Any reform of land revenue should naturally take into account this burden on general revenues and provide for their continuance albeit on a rational and scientific basis.

In respect of lands registered as wet, the land revenue payable is an amalgam of two elements, an element of pure land revenue comparable to assessment on dry lands of same taram and quality and water rate which is in the nature of payment for services rendered. Any overhaul of land revenue system should

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take note of this complication and provide for separation of the element of land revenue proper from the consolidated wet assessment on a rational and equitable basis. All these problems will need careful study which will understandably take some time.

We have, in addition, a local cess levied at an uniform rate of 45 per cent for the benefit of Panchayat Unions and Panchayats under the Madras Panchayats Act, 1958 and Local Cess Surcharge levied by Panchayat Unions as a per centage of land revenue at rates considered appropriate by them with reference to their budgetary exigencies. Cesses and Cess Surcharges constitute the sheet anchor of local finances and while they will clearly admit of rationalisation, they will have to continue in some form for the benefit of local bodies. It is the revenue from local cess and local cess surcharge which sustained a big developmental programme in the rural areas executed through the Panchayat Unions and Panchayats. In other countries too, local rates on real property are among the most significant sources of revenue for local bodies.

In seeking to abolish basic land revenue and rationalising the pattern of water rates, local cess and local cess surcharge, we should also bear in mind the need to provide for the continued maintenance of the existing frame work of land records and registration which is of great value to the Government for purposes of economic planning and is of even greater value to the ryot as a record of his rights and title to land. There is in fact need for improvement in present standards of maintenance of land records in the context of land reforms. The issues connected with the future arrangements for proper maintenance of land records and registration will also have to be gone into in great detail as part of the present move for abolition of land revenue. The Government have decided that the scheme for abolition of land revenue with the various implications which I have touched on briefly should be studied by a Special Officer. The Government have designated the First Member, Board of Revenue as Special Officer for this purpose and he has already entered on his duties. The Report will be submitted by the Special Officer in time for the new Government to consider and take decisions by July 1967, i.e., commencement of next fasli year 1377. Various enactments such as Madras Panchayats Act and Agricultural Income Tax Act refer to land revenue. Cesses levied for the benefit of local bodies are fixed as a definite proportion of land revenue. The abolition of land revenue can therefore be appropriately taken up only after the cesses are related to other suitable norms. The measure will thus call for legislation which will be time-consuming and can be attempted only by the new Legislature.

12-30 p.m.

Pending the report of the Special Officer and enactment of appropriate legislation based thereon, Government have considered how best they could straightaway afford relief to the farmers and thus provide them incentives for increased production. The Government have decided that for the current Fasli 1376, which has already commenced on 1st July 1966, and in respect of which

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collection will start generally from December-January, the surcharge on land revenue and water rate at 25 per cent levied in November 1965 in terms of the Madras Land Revenue and Water Cess (Surcharge) Act, 1965 (Madras Act 34 of 1965) should be forthwith abolished. Government will in due course formally repeal this levy of 25 per cent surcharge under Madras Act 34 of 1965. Meanwhile, Government will issue specific executive instructions for implementation of this decision. All other dues on land, excepting the surcharge of 25 per cent on land revenue and water rate will be payable for Fasli 1376. This decision will immediately entail a loss of revenue of nearly Rs. 1.5 crores. This will have a serious impact on our delicately balanced Budgetary position. But Government are confident that with suitable economies and rephasing of expenditure on schemes of lower priority the immediate loss of revenue could be covered and that therefore a start should be made on this wholesome and far reaching reform even in the current year.

We are embarking on a reform which is long overdue and which will be of lasting benefit to our agrarian economy. I consider it singularly appropriate that the present House which has already to its credit several progressive measures for the economic and social well being of the States should be associated with the beginnings of this historic reform. In launching on this course of action we are fully aware that land revenue is still a significant source of revenue to the State and that the Government will need all the resources they can muster for implementing the massive developmental programmes which lie ahead of them in the Fourth Plan period. I can only assure those entertaining doubts and misgivings on this account that we have not taken this decision in a light hearted manner. We are confident that whatever loss of revenue is sustained ultimately with the abolition of land revenue can be made good by State Trading in Major Agricultural Produce, details in regard to which will be worked out meanwhile. May I recall in this connection the similar historic decision to forego excise revenue in respect of which too the Madras State had given a lead to the rest of the country? We have seen over the years how the increased prosperity directly flowing from our policy of complete prohibition and the growth in other sources of revenue have more than compensated the loss of revenue from excise. We can rest assured that the present move for abolition of land revenue will also be hailed in due course as an equally farsighted and statesmanlike decision. I would appeal to all the farmers, big and small alike, in this State to whom nature too has been bountiful in the current year to appreciate the spirit in which the Government have embarked on this reform and realise that the ultimate economic justification for abolition of land revenue will be in the increased efforts they put forward in increasing agricultural production in national interest. I have no doubt that these efforts will be forthcoming and will receive further stimulus from this decision of policy in regard to land revenue.